been sanctioned. In addition to the above, 12 other projects have been given 'in-principle' approval.

Revamp of electricity distribution system

495. SHRI KALRAJ MISHRA: Will the Minister of POWER be pleased to state:

(a) whether Government have decided to revamp the electricity distribution system, under which the city Transco would manage the load and maintain transformers, Discoms would provide the supply from the pole and the consumer would be able to choose his Discom; and

(b) if so, the details of the new system and how far it would end up in giving relief to the consumer against exploitation and over billing?

THE MINISTER OF POWER (SHRI SUSHILKUMAR SHINDE): (a) and (b) As per provisions of the Electricity Act, 2003, a transmission licensee is required to build, maintain and operate an efficient, co-ordinated and economical inter-State transmission system or intra-State transmission system, as the case may be, and to provide non-discriminatory open access to its transmission system.

Under the Act, a transmission licensee has been debarred from engaging in the business of trading of electricity.

Supply of electricity to consumers is the function of the distribution licensee who is, in his area of license, duty bound to supply electricity to all consumers who apply for the same. The Act also provides for phased introduction of open access in distribution by the State Electricity Regulatory Commssions (SERCs). It provides that the SERC shall, not later than 27th January, 2009, by regulations, provide such open access to all consumers who require a supply of elctricity where the maximum power to be made available at any time exceeds one megawatt. These consumers would have the option to choose his supplier other than the distribution licensee of his area.

The Tariff Policy notified by Central Government provides that in whichever states the situation so permits, the Regulatory Commissions should introduce open access even prior to this deadline. The policy also lays down the methodology for computation of cross subsidy surcharge.

As per available information, the SERCs of 19 States have issued open access regulations in distribution and 15 SERCs have also specified the method of open access surcharge. So far, 17 applications for grant of open access have been approved by the respective SERC in 6 States.

The Electricity Act also provides for grant of license by the Appropriate Commission to two or more persons for distribution of electricity through their own distribution system within the same area, subject to the compliance with the additional requirements relating to the capital adequacy, credit-worthiness, or code of conduct prescribed by the Central Government. Central Government has already notified the additional requirements in this regard.

Under the Act, the distribution licensee is required to establish a forum for redressal of grievances of the consumers. Any consumer, who is aggrieved by non-redressal of his grievances may make a representation for representation for redressal to an authority known as Ombudsman.

Dilution of stake in public sector power companies

496. SHRIMATI N.P. DURGA: Will the Minister of POWER be pleased to state:

(a) the status of Government's plan to reduce 24 per cent stake in some public sector power companies through IPOs;

(b) the total amount estimated to garner through IPOs;

(c) how the power companies are planning to utilize the above amount, apart from expanding their infrastructure; and

(d) whether his Ministry has taken the approval from the Cabinet Committee on Economic Affairs for dilution of 24 per cent equity in power PSUs?

THE MINISTER OF POWER (SHRI SUSHILKUMAR SHINDE): (a) and (d) Government has approved the proposals of Power Finance Corporation (PFC), Rural Electrification Corporation (REC), Power Grid Corporation of India Limited (PGCIL) seeking permission for Initial Public Officer (IPO).

(b) The amount that would be garnered through the IPO would depend upon assessment by the professional agencies for which the necessary